

NATURAL RESOURCES

PUBLIC ACT 290 OF 1998

Analyst: Kirk Lindquist

	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	2,336.5	2,230.5	(106.0)	(4.5)
GROSS	\$219,267,900	\$228,001,500	\$8,733,600	4.0
IDG/IDT	7,510,000	7,048,600	(461,400)	(6.1)
ADJUSTED GROSS	\$211,757,900	\$220,952,900	\$9,195,000	4.3
FEDERAL	19,400,100	19,330,600	(69,500)	(0.4)
LOCAL	0	0	0	0.0
PRIVATE	2,148,600	1,670,600	(478,000)	(22.2)
OTHER	142,326,500	151,301,700	8,975,200	6.3
GF/GP	\$47,882,700	\$48,650,000	\$767,300	1.6

HB 5591

Referred to
Appropriations
02/19/98

Passed House
04/29/98

Passed Senate
05/27/98

Conference
Approved by House
07/01/98

Conference
Approved by Senate
07/01/98

Effective
07/28/98

OVERVIEW - NATURAL RESOURCES

The mission of the Department of Natural Resources is to conserve and develop Michigan's natural resources. The Department budget for FY 1998-99 has increased slightly from the current year appropriation. Nearly all of this increase has occurred in game and fisheries management programs. The General Purpose appropriation for the Game and Fish Protection Fund increased by 11.3%, to \$50.4 million in FY 1998-99.

The FY 1998-99 appropriation for the Department of Natural Resources includes nearly \$5.6 million in new and expanded services to the hunting and fishing public. These increases are in habitat treatment, environmental education programs, customer services, support costs for automated license sales, bovine tuberculosis surveillance and outreach, and conservation law enforcement programs. The FY 1998-99 appropriation also includes funding for an effort to re-establish a rapid in the St. Mary's River, and with it, the fishing opportunity lost when the river was altered many years ago.

All of these changes in game and fish protection programs have been possible because of discoveries made by newly-hired DNR financial management employees. The fund balance for the Game and Fish Protection Fund was found to have \$11.4 million more than was estimated in 1997. It appears that the size of this balance is *not* the result of the 1996 license fee increase. Nearly \$5.2 million in unexpected deer license revenue was deposited into the fund at the end of FY 1996-97, and \$2.7 million was received from Federal sources.

It should be noted that only half of the "discovered" \$11.4 million has been appropriated. The remaining amount will remain in the fund in anticipation of expected revenue swings from license sales and other game and fish revenue sources.

MAJOR BUDGET CHANGES: FY 1998-99

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
1. <i>Program Enhancements - Statewide Database Project</i>	Gross	\$1,800,000
Resource management and state land ownership information is to be placed in a geographic data base. This information, including description locations of all state properties and facilities, will be available for state resource managers and local officials. This increase will be supported by Land Sale Revenue (\$1,550,000) and the Delinquent Property Tax Administration Fund (\$250,000).	GF/GP	\$0
2. <i>Game and Fish Division Interdepartmental Transfers</i>	Gross	\$1,272,400
Game and Fish Fund support is added for computer and information services provided by the Office of Information and Technology.	Restricted	1,272,400
	GF/GP	\$0
3. <i>Program Enhancements - Michigan Civilian Conservation Corps</i>	Gross	\$1,250,000
Michigan Civilian Conservation Corps Endowment Fund revenue is provided to operate a mini-camp at Island Lake State Park, and funds are included to reopen and operate the MCCC camp located near Alberta. Persons enrolled at these camps will work on state park infrastructure projects in Southern Michigan, and on resource conservation projects in the central portions of the Upper Peninsula. An interdepartmental grant (IDG) of \$1.0 million from the Michigan Jobs Commission has been provided to operate Camp Alberta and for enrollee recruitment.	IDG	1,000,000
	Restricted	250,000
	GF/GP	\$0
4. <i>Urban Tax-Reverted Property Maintenance</i>	Gross	\$1,000,000
Land Sale Revenue was added to cleanup and maintain tax-reverted properties. Priority is to be given to urban residential properties.	Restricted	1,000,000
	GF/GP	\$0
5. <i>Federal Oil and Gas Royalty Payments</i>	Gross	\$750,000
This appropriation was included to implement a recommendation of the Legislative Auditor General. The enacted appropriation includes the House \$600,000 recommendation and the Governor's recommended federal grant line item infrastructure projects and education programs for local governments impacted by oil and gas development on federal lands.	Federal	750,000
	GF/GP	\$0

MAJOR BUDGET CHANGES: FY 1998-99

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
6. Michigan Resource Inventory System	Gross	\$415,000
This statewide land use resource inventory and database program will be increased to cover the cost of new aerial photographs of the lower peninsula. Adjustments have been made as well in the funding sources for this program to reflect the sources of mapping requests.	GF/GP	\$200,000
Air Photo Fees		(\$800,000)
Forest Resource Revenue		\$800,000
Michigan Geographic Information System Revenue		(\$200,000)
General Fund/General Purpose		\$200,000
7. Community Recreation Grants	Gross	\$1,350,000
The enacted appropriation reauthorizes recreation bond (Quality of Life Bond Package) and directs these funds for local recreation grants to develop and improve recreational facilities in Michigan's small and medium-sized communities.	GF/GP	\$1,350,000
8. Customer Service Program	Gross	\$1,000,000
The FY 1998-99 appropriation from the Game and Fish Protection Fund includes \$1.0 million (Gross) to improve response time and the quality of service provided to the Michigan outdoor sport community.	Restricted	1,000,000
	GF/GP	\$0
9. Conservation Officer Radios	Gross	\$600,000
Additional Game and Fish Protection Funds have been included to purchase new radios for field use.	Restricted	600,000
	GF/GP	\$0
10. Bovine TB Eradication	Gross	\$500,000
Game and Fish Protection Fund support was included to monitor the incidence of infection in the white-tailed deer population and to research the mechanisms of tuberculosis transmission among deer and livestock.	Restricted	500,000
	GF/GP	\$0
11. Resource Education and Outreach	Gross	\$400,000
Game and Fish Protection Fund support for youth education and resource conservation outreach programs was added to the DNR field operations program. This increase was recommended by DMB for FY 1997-98.	Restricted	400,000
	GF/GP	\$0
12. St. Mary's River - Little Rapids Restoration	Gross	\$250,000
Game and Fish Protection Fund support was added by the legislature to re-establish the Little Rapids, located south of Sault Ste. Marie.	Restricted	250,000
	GF/GP	\$0
13. Abandoned Mineshaft Closures	Gross	\$250,000
This line item was increased by \$250,000 to reclaim mineshafts and cave-ins at these sites.	GF/GP	\$250,000

Natural Resources

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

ECONOMIC ISSUES

Economic Adjustments

Department-wide increases and decreases have been recommended to reflect expected payroll and health plan requirements.

Gross	\$629,400
GF/GP	\$228,400

MAJOR BOILERPLATE CHANGES: FY 1998-99

1. Shooting Ranges

The Department is required to prepare a report on the impact of multiple-round firearms on targets and target areas of shooting ranges.

2. Native American Fishing Rights

A special task force on Native American Fishing Rights and Commercial Fishing Licenses is to identify problems with existing treaty arrangements and propose solutions to these and other commercial fishing issues (Sec. 606).

3. Great Lakes Fishing License

The Department is instructed to explore and report on the feasibility of a Great Lakes fishing license with other Great Lakes states (Sec. 607).

4. Michigan Civilian Conservation Corps Camp at Alberta, Michigan

The Michigan Jobs Commission grant to the Department is to support operational needs and enrollee recruitment efforts related to Camp Alberta in the Upper Peninsula near L'Anse.

VETOES: FY 1998-99

None

REVENUE INCREASES: FY 1998-99

None

SUPPLEMENTAL APPROPRIATIONS: FY 1997-98

1. Wildlife Management

Game and Fish Protection funds are included to cover the DNR's share of the Bovine TB Eradication program (Public Act 273 of 1998).

Gross	\$500,000
Restricted	500,000
GF/GP	\$0

SUPPLEMENTAL APPROPRIATIONS: FY 1997-98

2.	<i>Lake Level Control Grants</i>	Gross	\$100,000
This item provides reimbursement to local units for Lake Level Control projects. Funds will be available for two years, and will be disbursed on a contractual basis (Public Act 273 of 1998).		GF/GP	\$100,000
3.	<i>Federal Oil and Gas Payments</i>	Gross	\$332,000
A pass-through appropriation to counties with federal lands has been provided. These funds are to be used for public education and roads (Public Act 273 of 1998).		Federal	332,000
		GF/GP	\$0
4.	<i>Forest Resource Management: Forest Fire Protection</i>	Gross	\$1,100,000
This appropriation provides support to implement the Forest Fire Contingency Plan for the 1998 fire season. The risk of significant increases in fire occurrences this summer is considerably higher than during the last several years (Public Act 273 of 1998).		Restricted	1,100,000
		GF/GP	\$0
5.	<i>Wildlife Management</i>	Gross	\$1,500,000
The US Fish and Wildlife Service has not acted on the DNR grant application for wildlife habitat improvement projects. According to department sources, action is expected in the fall, but the approval would not cover habitat projects planned for summer 1998. It will not be necessary to make any funding adjustments in FY 1998-99 (Public Act 273 of 1998).		Restricted	1,500,000
		GF/GP	\$0
6.	<i>Administrative Services: Management Information</i>	Gross	\$800,000
This Game and Fish Fund increase would pay the debt service for funds utilized from Building Authority Bond Revenue for the Retail Sales System (Public Act 273 of 1998).		Restricted	800,000
		GF/GP	\$0
7.	<i>Retirement Savings</i>	Gross	(\$1,312,900)
Public Act 272 of 1998 reduced the contribution level to the State Employees Retirement System to reflect actuarial requirements for the new defined contribution and defined benefit retirement plans.		Private	(6,600)
		Restricted	(772,000)
		Federal	(95,800)
		GF/GP	(\$438,500)